

Dairy Industry - Union

PENSION PLAN

For Philadelphia and Vicinity

EBSA/PUBLIC DISCLOSURE
2012 APR 30 PM 4:03

April 25, 2012

CERTIFIED RETURN RECEIPT MAIL

U.S. Department of Labor
Employee Benefit Security Administration
Public Disclosure Room N-1513
200 Constitution Avenue, N.W.
Washington, DC 20210

RE: Notice of Critical Status

Dear Sir/Madam:

Pursuant to Federal Regulations, the Dairy Industry – Union Pension Fund for Philadelphia and Vicinity is providing the U.S. Department of Labor with a copy of the Notice of Critical Status for the Plan Year beginning January 1, 2012.

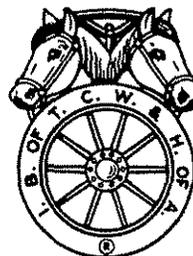
Sincerely,



Lee Scarpone
Fund Manager

LS:kmm

P.O. BOX 740 • DAVIS ROAD & OAKWOOD LANE • VALLEY FORGE, PA 19482
(215) 483-6000 (215) 483-6001 (215) 483-6002 FAX (610) 783-6835



**Notice of Critical Status For
Dairy Industry – Union Pension Plan for Philadelphia & Vicinity**

This is to inform you that on March 30, 2012, the plan actuary certified to the U.S. Department of the Treasury and to the Plan Trustees that the Plan is in critical status for the plan year beginning January 1, 2012. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan actuary determined that the Plan has not passed the “Emergence Test”, meaning that the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency for this plan year or any of the nine succeeding plan years (a funding deficiency is projected in the 2020 Plan Year).

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. In April 2011, you were notified that the Plan reduced or eliminated certain “adjustable benefits”. If the Plan Trustees determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. The reduction of adjustable benefits does not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after July 1, 2011.

Adjustable Benefits

The Plan offered the following adjustable benefits, which were reduced or eliminated effective July 1, 2011 as part of the rehabilitation plan that was adopted March 31, 2011:

- Post-retirement lump sum death benefits;
- Guaranteed term of payment (60 months);
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Pre-retirement death benefit for single participants.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan’s financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status. One of the exceptions terminates the surcharge when a contribution agreement is amended to comply with the rehabilitation plan for the Plan. All employers have modified their agreements to comply with the contribution rates in the rehabilitation plan.

**Notice of Critical Status For
Dairy Industry – Union Pension Plan for Philadelphia & Vicinity**

Where to Get More Information

For more information on this Notice, you may contact:

Dairy Industry – Union Pension Plan for Philadelphia and Vicinity
Valley Forge Benefit Administrators, Inc.
Davis Road and Oakwood Lane
Valley Forge, PA 19482
Phone: 215-483-6000

You have a right to receive a copy of the rehabilitation plan from the Plan.

Dated: April 26, 2012